

ARIZONA VETERANS TASK FORCE
Wednesday, November 30, 2005 - 1:00 p.m.
Governor's 2nd Floor Conference Room
1700 W. Washington - Phoenix, AZ 85007

M I N U T E S

Call to Order

Chairman Pat Chorpenning called the meeting to order at 1:01 p.m.

Roll Call

The following members were present:

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| ➤ Patrick F. Chorpenning, Chair | ➤ Georganna Meyer |
| ➤ Joe P. Bibich | ➤ Dora Schriro |
| ➤ George J. Heaney | ➤ Joan E. Sisco |
| ➤ Avtar Khalsa | ➤ Gary M. Yaquinto |
| ➤ Ezra Loring | ➤ Caryn Walsh |
| ➤ Rebecca J. Phifer, Co-Chair | |

Opening Remarks

Chairman Chorpenning welcomed the Arizona Veterans Task Force (VTF) Members and guests to the meeting. The minutes of the November 2, 2005 meeting were approved as written. Pete Martinez, the new Commander for the Korean War Veterans, was in the galley. Chairman Chorpenning also thanked Jay Vargas, Liaison to the VA Secretary for the Western Region, for attending today's meeting. Mr. Vargas briefly addressed the group.

Chairman Chorpenning provided an overview of how State government operates as it relates to legislation. Gary Yaquinto, Director of the Governor's Office of Strategic Planning and Budget, has arranged to hold off on briefing the Governor until the VTF has finalized its recommendations. That will allow recommendations that has a fiscal impact can be included in the Governor's plan.

Gary Yaquinto clarified that he has presented the Governor with a laundry list of recommendations from the VTF. Joe Bibich asked if there was an opportunity to add a recommendation that is considered a "money issue." Chairman Chorpenning indicated that after decisions have been made on the core recommendations, the Task Force could add recommendations to the final report. The final report will be provided to the Governor and the Legislature in January.

Overview of the Veterans Task Force Presentations

Mike Klier highlighted previous briefings and was accompanied by a PowerPoint presentation. He provided a summary of the meetings held September 9, October 5, and November 2, 2006.

Briefing – State Veteran Benefits Comparison

Gary Noviello, Chief Financial Officer with the Arizona Department of Veterans' Services, provided financial information about the agency, including funding sources for providing various services. Less than 15% of the funding comes from Arizona's general fund.

Mr. Noviello then presented information from a study he recently conducted for the Task Force. There were 25 states who participated in the study. In order to come up with a national average, the highest and the lowest states were eliminated from determining an average. Massachusetts and Ohio have the highest and lowest annual general fund expenditures per veteran and were considered outliers. In order to establish a valid national average, the outliers were removed from the study.

The national average of general fund expenditures is 84¢ while Arizona averages 32¢ per veteran per month. We are well below the national average. Dora Schriro asked if all the money issues were recommended from the Task Force, what affect that would have on the general funds that are expended on its veterans. If all financial recommendations¹ were adopted, Arizona would be 72¢ per veteran per month – still below the national average. Gary Yaquinto asked to be supplied with the study so that he could establish where Arizona ranks.

Discussion and Approval of Task Force Recommendations

Chairman Chorprenning turned over the meeting to Co-chair Becky Phifer. Motions offered during this portion of the meeting are outlined below:

Financial Issues

- Appropriate \$10.0 million to provide the state's 35% contribution toward a state veterans' home in Tucson. This general fund appropriation would need to be a one-time appropriation, non-lapsing through June 30, 2008.
 - Motion carried unanimously.
- Appropriate \$1,125,000 to establish 40 full-time veterans benefit counselors and establish a staffing formula for the Arizona Department of Veterans' Services that one veterans benefits counselor is required for every 10,000 veterans in the state. This general fund appropriation will be \$1.8 million on a continuing basis thereafter.
 - Motion carried unanimously.
- Appropriate \$675 thousand to establish 15 full-time equivalent (FTE) support positions throughout the department. These support positions will be in the areas of financial services, human resources, information technology, etc. and are needed to not only help support the 40 additional FTE positions requested in item 2 above, but to adequately support the department's current operations. This general fund appropriation will need to be continuing.
 - Motion carried unanimously.

¹ Excludes the \$10 million one-time appropriation to build the state veteran home in Tucson.

- Appropriate \$183 thousand to replenish the state veterans cemetery fund, which is used to provide for preconstruction costs of up to three veterans cemeteries. Expenditures from this fund are reimbursed from the federal government. Any monies remaining in this fund after completion of three veterans cemeteries is returned to the general fund. This general fund appropriation would need to be a one-time, non-lapsing appropriation.
 - Motion carried unanimously.
- Appropriate \$125 thousand to provide for maintenance and operation of the Southern Arizona Veterans Memorial Cemetery in Sierra Vista. This general fund appropriation will need to be continuing.
 - Motion carried unanimously.
- Appropriate \$6.6 million to provide up to a maximum \$300 state income tax credit to disabled veterans. The credit will be given to disabled veterans pro rata based on each veteran's percent of disability as determined by the US Department of Veterans Affairs. This general fund appropriation will need to be continuing.
 - All members voted no, except for Khalsa who abstained; Chorpenning and Yaquinto both supported the motion. The motion failed to pass.
- Appropriate \$250,000 thousand to provide up to ten one-stop veterans centers per fiscal year held in various cities throughout the state where veterans can receive a complete array of services and benefits to which they are entitled. This general fund appropriation will need to be continuing.
 - Motion carried with a single nay vote (Walsh) and one abstain (Yaquinto).
- Include the following language in the General Appropriations Bill: "Approve the expenditure of all funds in the Veterans' Contingency Fund for renovations and/or repairs at the Arizona State Veteran Home in Phoenix. The Legislature would be asked for "spending authority" for the Contingency Fund and no general funds would be requested."
 - Motion carried unanimously.

Pat Chorpenning explained that those issues that had a financial impact must be voted up or down immediately, because of these issues required coordination with the Governor's Office of Strategic Planning and Budget (OSPb). The non-financial issues may require additional study and he cautioned against voting down a concept that may simply require additional study before making a recommendation to the Governor and the Legislature.

Governor Napolitano's Military Facilities Task Force recommended the formation of a permanent body to carry on the work of that group when it published its recommendations in December 2003. If there are issues that require additional study, the VTF might want to consider establishing another Commission to continue working on issues of importance to Arizona veterans.

After the explanation of why financial recommendations require more immediate action, Co-Chair Phifer entertained the following motions:

Non-Financial Issues

- Create a new “support our military” license plate, which can be purchased by civilians. The proceeds from sale of the new license plate would be deposited into the veterans’ donation fund.
 - The issue will be tabled for additional study.
- Extend a tuition waiver scholarship to active personnel and reservists similar to the scholarship given to members of the National Guard who are Purple Heart recipients.
 - Motion carried unanimously.
- Study the viability of moving the responsibility for administering the DVOP and LVER programs² from ADES to ADVS.
 - The issue will be tabled for additional study.
- Request that the Arizona Legislature send a concurrent memorial to Congress requesting members of the National Guard and Reserves receive the same VA benefits as active duty personnel.
 - The issue will be tabled for additional study.
- Study the viability of creating a home loan program for veterans in Arizona.
 - The issue will be tabled for additional study.

Dora Schriro brought up a recommendation she had submitted with her response to the core recommendations being discussed. Her recommendation has a financial impact and she wanted to include it with the other recommendations, if it is acceptable to the VTF. Co-chair Phifer indicated that her recommendation had been included in a separate list that would be discussed until the next agenda item. There were 39 recommendations that were submitted by VTF members and others that were not included in the core recommendations being discussed at this point of the meeting.

Jay Vargas was asked to provide some information regarding the Home Loan program used in California. The Home Loan program in California is completely self-funded and costs the taxpayers nothing. The program and the program is highly successful in all 5 states where it is in place.

In his briefing, he emphasized that the state’s legislators need to be educated about how the program works. Interest rates are very low at present and the Home Loan program costs the citizens of the state nothing. The veterans in each of these states benefit from an excellent program and the money that is generated from their payments can be used in ways that benefit veterans in that state.

Governor Richardson is very interested in offering the program in New Mexico. Mr. Vargas also indicated that there were lessons to be learned from existing programs

² Disabled Veterans’ Outreach Program (DVOP) and Local Veterans Employment Representative programs.

and he suggested the Task Force confer with the administrators of the Home Loan programs before a Home Loan program is implemented.

Discussion of Task Force Recommendations Received after 11/10/05

Co-chair Phifer returned control of the meeting to Chairman Chorpenning. The list that had been distributed during the meeting was a collection of recommendations that had been received by email, fax or from conversations during the time the VTF was asked for their feedback on the core recommendations, which were just discussed.

Joan Sisco asked the VTF members to seriously consider the issues listed under the category Female Veterans and Minorities. She believes that female veterans have particularly high needs for outreach, and would support the female veterans recognition day. We have no idea where female veterans are in Arizona and they frequently do not acknowledge that they are veterans.

Gary Yaquinto wanted to know what the Chair was hoping to achieve with these “new” recommendations, which were distributed today. He suggested that the VTF members should be given sufficient time to properly review and analyze the suggestions included in the list.

Chairman Chorpenning agreed and asked the VTF members to be prepared to discuss all of the “new” recommendations at the 12/15/05 meeting. He believed that one recommendation that he feels must be added to the VTF final recommendations is establishing a commission to continue to work on recommendations that were tabled for further study. The size and composition of that commission would not necessarily be the same as the VTF.

Co-Chair Phifer added that she feels strongly about having the VA “advocates” transferred from the VA to the Arizona Department of Veterans' Services. Advocates who are on the VA payroll are in a precarious position when they attempt to resolve problems that are clearly the responsibility of the VA.

Chairman Chorpenning suggested that the VTF review the “new” recommendations and eliminate those items that do not consider further consideration, mark those issues that warrant further study and analysis, and add recommendations that members feel should be considered. When the VTF reconvenes on the 15th of December, it will spend the first two hours of the meeting on these issues.

Between Christmas and New Year, the VTF will work on its final report. At the next meeting, the VTF should discuss how the report will be delivered to the Governor and to the Legislature.

Call to the Public

Susan Delp submitted a request to speak regarding disabled veterans and their surviving spouses. She lives in California and was surprised that Arizona law is so limited in its provision of property tax waivers. Disabled persons who have low enough income to qualify for the waiver are typically not homeowners. A surviving spouse of a

disabled person does not qualify for the property tax waiver at all. She requested that the VTF to consider property tax waivers that extend to surviving spouses.

Chairman Chorpenning explained that her request was a complex issue. The Legislature would be put into a position of supporting a decrease in property tax revenues that are used to support Arizona counties, schools and special districts. Ms. Delp's request requires additional study.

Brad Bridwell, Site Director for US Vets (a program for formerly homeless veterans) in Phoenix, voiced his support for recommendations dealing with homeless veterans. There are 21,000 veterans who will experience homelessness this year in Arizona and there are very limited resources available to help them. Mr. Bridwell asked the VTF to seriously consider including the homeless veterans issues in the final report. He reminded the VTF that Governor Napolitano's 2005 State of the State address included her commitment to "support the on-going public-private partnerships that create places to live, to heal, and to find work."

Jay Vargas thanked the VTF for their work. The work here is similar to the "one VA" program that he established; where representatives from various levels of government, tribes, veterans service organizations, and other work collaboratively to resolve problems facing veterans. He believes that the most critical need today is outreach and he feels that the VA problems parallel the issues faced by state governments. Mr. Vargas has recently discussed the following issues with the Secretary of the US Department of Veterans Affairs:

- World War II veterans are dying at an astounding rate and many have never applied for any benefits.
- Former Prisoners of War are not seeking the benefits that they have earned. They are not aware of these benefits and the VA automatically approves claims for certain types of benefits. These missed opportunities have an economic impact on the places where these POWs live.
- Tribes have unique needs that are not now being addressed by the VA. They have World War II veterans who were not provided adequate services and transportation is a very real problem.
- Outreach programs are critically needed nationwide.
- Veterans service organizations want to have more input into where the VA clinics are placed.
- National Guard and Reserves are now a huge part of the military strength of the country. Mr. Vargas has spoken about the inequities of their treatment as compared to active duty personnel and believes they deserve the exact same benefits.
- Transportation of elderly veterans is becoming more critical, even in metropolitan areas. The Disabled American Veterans have had a very successful program where they donate free vans to almost all VA Medical Centers. The VA has a severe shortage of volunteer drivers and the vans are often sitting un-driven in parking lots.

Mr. Vargas suggested that the final report from the VTF may be the first time that the Governor and the Legislature have been briefed on issues facing the state's veterans.

Mr. Vargas applauds the efforts of the VTF and promised to report its progress to the Secretary of the US Department of Veterans Affairs.

Chairman Chorpenning promised to send a copy of the final report to Jay Vargas with the hope that he would forward it to the Secretary of the VA.

Larry Anderson thanked the VTF for the opportunity to speak. He was very pleased about last month's meeting regarding Native American people in northern Arizona. Mr. Anderson believes that it is critical that native people have representatives on these and other boards and commissions. He asked that Arizona tribes be asked to submit names of candidates to serve as opportunities arise. Mr. Anderson was also very interested in the woman and American Indian veterans, especially since there is a very high enlistment rate for American Indian females.

Chairman Chorpenning assured Larry Anderson that the Department will establish a Native American advisory group to more fully discuss the needs of that population. Application forms and instructions were sent out to invite veterans service organizations to submit candidates to fill two vacancies on the Advisory Commission.

Adjournment

The meeting was adjourned at 4:08 p.m. The next meeting will be the final meeting of the VTF and will be held on December 15, 2005 at the same location and time.